



DEPARTMENT OF THE TREASURY

Internal Revenue Service
TE/GE EO Examinations
1100 Commerce Street
Dallas, TX 75242

**TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION**

Date: April 12, 2016

Release Number: **201645015**
Release Date: 11/4/2016
UIL Code: 501.03-00

Taxpayer Identification Number:

Person to Contact:

Employee Identification Number:

Employee Telephone Number:

CERTIFIED MAIL – Return Receipt Requested

Dear :

This is a Final Adverse Determination Letter as to your exempt status under section 501(c)(3) of the Internal Revenue Code. Your exemption from Federal income tax under section 501(c)(3) of the code is hereby revoked effective January 1, 20XX.

Our adverse determination was made for the following reasons:

Organizations exempt from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code are required to operate exclusively for charitable, education, or other exempt purposes if the net earnings of the organization inure in whole or in part to the benefit of private shareholders or individuals. See Treas. Reg. § 1.501(c)(3)-1(c)(2).

During 20XX, 20XX, and 20XX, we have determined that your net earnings inured to the benefit of private individuals by regularly paying personal expenses of your founder without contemporaneously recording the expenditures as salary or compensation. The transactions that resulted in funds inuring to private individuals were multiple or repeated transactions during the year and appear to overwhelm the amount of exempt activity conducted, if any. Therefore, you have operated for the benefit of private interests of individuals in contravention of the requirements of Treas. Reg. § 1.501(c)(3)-1(d)(1)(ii).

Further, you have failed to respond to repeated reasonable requests to allow the Internal Revenue Services to examine your records regarding your receipts, expenditures, or activities as required by the I.R.C. § 6001, 6033(a)(1) and Rev. Rul. 59-95, 1959-1 C.B. 627.

Contributions to your organization are no longer deductible under section 170 of the Internal Revenue Code.

You are required to file Federal income tax returns on Form 1120. If you have not already filed these returns and the agent has not provided you instructions for converting your previously filed Form 990 to Form 1120, you should file these income tax returns with the appropriate Service Center for the tax year ending December 31, 20XX and for all tax years thereafter in accordance with the instructions of the return.

Processing of income tax returns and assessments of any taxes due will not be delayed should a petition for declaratory judgment be filed under section 7428 of the Internal Revenue Code.

If you decide to contest this determination, you may file an action for declaratory judgment under the provisions of section 7428 of the Code in one of the following three venues: United States Tax Court, the United States Court of Federal Claims, or the United States District Court for the District of Columbia. A petition or complaint in one of these three courts must be filed before the 91st day after the date this determination was mailed to you if you wish to seek review of our determination. Please contact the clerk of the respective court for rules and the appropriate forms regarding filing petitions for declaratory judgment by referring to the enclosed Publication 892. Please note that the United States Tax Court is the only one of these courts where a declaratory judgment action can be pursued without the services of a lawyer. You may write to the courts at the following addresses:

United States Tax Court
400 Second Street, NW
Washington, DC 20217

US Court of Federal Claims
717 Madison Place, NW
Washington, DC 20005

U. S. District Court for the District of Columbia
333 Constitution Ave., N.W.
Washington, DC 20001

You also have the right to contact the Office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal Appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free, 1-877-777-4778, and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

Internal Revenue Service
Office of the Taxpayer Advocate



DEPARTMENT OF THE TREASURY

Internal Revenue Service
TE/GE EO Examinations
1100 Commerce Street
Dallas, TX 75242

**TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION**

Date: April 12, 2016

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

Paul A. Marmolejo
Acting Director, EO Examinations

Enclosures:
Publication 892

**Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities Division
Exempt Organizations: Examinations
1100 Commerce Street MS 4900 DAL
Dallas, TX 75242-1100**

Date: July 31, 2015

Taxpayer Identification Number:

Form:

Tax Year(s) Ended:

December 31, 20XX, 20XX, 20XX

Person to Contact/ID Number:

Contact Numbers:

Telephone:

Fax:

Manager's name/ID number:

Manager's contact number:

Response due date:

August 31, 20XX

Certified Mail – Return Receipt Requested

Dear :

Why you are receiving this letter

We propose to revoke your status as an organization described in section 501(c)(3) of the Internal Revenue Code (Code). Enclosed is our report of examination explaining the proposed action.

What you need to do if you agree

If you agree with our proposal, please sign the enclosed Form 6018, *Consent to Proposed Action – Section 7428*, and return it to the contact person at the address listed above (unless you have already provided us a signed Form 6018). We'll issue a final revocation letter determining that you aren't an organization described in section 501(c)(3).

After we issue the final revocation letter, we'll announce that your organization is no longer eligible for contributions deductible under section 170 of the Code.

If we don't hear from you

If you don't respond to this proposal within 30 calendar days from the date of this letter, we'll issue a final revocation letter. Failing to respond to this proposal will adversely impact your legal

standing to seek a declaratory judgment because you failed to exhaust your administrative remedies.

Effect of revocation status

If you receive a final revocation letter, you'll be required to file federal income tax returns for the tax year(s) shown above as well as for subsequent tax years.

What you need to do if you disagree with the proposed revocation

If you disagree with our proposed revocation, you may request a meeting or telephone conference with the supervisor of the IRS contact identified in the heading of this letter. You also may file a protest with the IRS Appeals office by submitting a written request to the contact person at the address listed above within 30 calendar days from the date of this letter.

The Appeals office is independent of the Exempt Organizations division and resolves most disputes informally.

For your protest to be valid, it must contain certain specific information including a statement of the facts, the applicable law, and arguments in support of your position. For specific information needed for a valid protest, please refer to page one of the enclosed Publication 892, *How to Appeal an IRS Decision on Tax-Exempt Status*, and page six of the enclosed Publication 3498, *The Examination Process*. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process. Please note that Fast Track Mediation referred to in Publication 3498 generally doesn't apply after we issue this letter.

You also may request that we refer this matter for technical advice as explained in Publication 892. Please contact the individual identified on the first page of this letter if you are considering requesting technical advice. If we issue a determination letter to you based on a technical advice memorandum issued by the Exempt Organizations Rulings and Agreements office, no further IRS administrative appeal will be available to you.

Contacting the Taxpayer Advocate Office is a taxpayer right

You have the right to contact the office of the Taxpayer Advocate. Their assistance isn't a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate can't reverse a legally correct tax determination or extend the time you have (fixed by law) to file a petition in a United States court. They can, however, see that a tax matter that hasn't been resolved through normal channels gets prompt and proper handling. You may call toll-free 1-877-777-4778 and ask for Taxpayer Advocate assistance. If you prefer, you may contact your local Taxpayer Advocate at:

Internal Revenue Service
Office of the Taxpayer Advocate

For additional information

If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,

Margaret Von Lienen
Director, EO Examinations

Enclosures:
Report of Examination
Form 6018
Publication 892
Publication 3498

Form 886-A (Rev. January 1994)	EXPLANATIONS OF ITEMS		Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended December 31, 20XX December 31, 20XX December 31, 20XX	

ISSUE:

1. Whether _____ (hereinafter referred to as the Foundation) is operated exclusively for exempt purposes described within Internal Revenue Code 501(c)(3):
 - a. Whether the _____ is engaged primarily in activities that accomplish an exempt purpose?
 - b. Whether _____ is operated for the purpose of serving a private benefit rather than public interests.
2. Whether any part of the net earnings of _____ inured to the benefit of any private shareholder or individual.
3. Whether _____ complied with record keeping requirements as required under Internal Revenue Code section 6001 and 6033.
4. Should _____ tax exemption under section 501(c)(3) of the Internal Revenue Code be revoked because their activities have not met the requirements of Section 501(c)(3) of the Internal Revenue Code. If revocation is upheld what should the effective date should be?

FACTS:

_____ was founded by _____. The Foundation was incorporated in the State of _____ in March, 20XX. In July, 20XX, the organization filed Form 1023, Application for Recognition of Exemption. In a Determination Letter dated August 26, 20XX, _____ was recognized by the Internal Revenue Service as exempt from Federal income tax and as not being a private foundation as an organization described under section 509(a)(1) of the Internal Revenue Code.

The articles of incorporation set forth the following purpose:

Article VI- Purpose:

Form 1023 Application. Application for Recognition of Exemption:

The Foundation application set forth the following:

Activities and Operational Information:

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-
-
-

Form 886-A (Rev. January 1994)	EXPLANATIONS OF ITEMS		Schedule number or exhibit
Name of taxpayer	Tax Identification Number	Year/Period ended December 31, 20XX December 31, 20XX December 31, 20XX	

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On January 08, 20XX, Letter 3613 was mailed to the organization informing them of an examination for the tax year December 31, 20XX. On March 18, 20XX agent interviewed _____, Founder and President, concerning the Foundation's programs and activities. During the interview, _____ explained that the Foundation does not have any employees and is operated from his home in _____; he controls the financial affairs of the Foundation: he has management authority over the Foundation's day to day operations and decisions; and he has sole signature authority on the Foundation's bank accounts.

_____ stated that Foundation provides youth with and _____; _____; and _____.

On March 16, 20XX, _____ stated in a subsequent interview that he takes kids to _____; he serves as an _____ at local _____; and purchases _____ for youth. He further explained that he pays for the _____ and _____ for poor children; and that he is the only person that conducts these activities. According to _____, the Foundation has achieved many accomplishments as described above. When questioned about the specific events, no details on the number of kids, event dates, method of transportation, and number of accompanying adults were provided. When asked to provide substantiation to support specific event dates, location of events, and number of children who participated in the events nothing was provided. The Foundation did not have any brochures, pamphlets or photos as evidence of activities carried on.

Agent made several requests to obtain any type of documentation to support the activities that occurred during the tax years that ended December 31, 20XX, 20XX & 20XX. _____ has not provided any documentation to support any of the activities. .

Following the interview with _____ and examination of the financial records for the December 31, 20XX tax year, the examination was expanded to include tax years December 31, 20XX and December 31, 20XX.

Funding:

During the periods under examination the Foundation reported the following sources of funding on their Form 990-EZ returns:

Form 990-EZ, Part I - Statement of Revenue and Expenses:

Revenue Sources	20XX	20XX	20XX
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	XX,XXX	XX,XXX	XX,XXX
	XX,XXX	XX,XXX	XX,XXX
	XX,XXX	XX,XXX	X
Totals	XXX,XXX	XXX,XXX	XX,XXX

The Foundation incurred numerous expenses. The bank statements and cancelled checks were reviewed and analyzed for tax years under examination. The following is a summary of expenses incurred:

Description of Expense	20XX	20XX	20XX	Total
	X,XXX	X,XXX	X,XXX	XX,XXX
	X,XXX	X,XXX	X,XXX	XX,XXX
	X,XXX	X,XXX	X,XXX	XX,XXX
	X,XXX	X,XXX	XXX	X,XXX
	X,XXX	X,XXX	X,XXX	XX,XXX
	X,XXX	X,XXX	X,XXX	X,XXX
	X,XXX	XXX	X,XXX	X,XXX
	XX,XXX	XX,XXX	X,XXX	XX,XXX
	X,XXX	XX,XXX	XX,XXX	XX,XXX
	XX,XXX	XX,XXX	XX,XXX	XXX,XXX
	X	XX,XXX	X,XXX	XX,XXX
	X	X,XXX	X,XXX	X,XXX
Totals	XX,XXX	XXX,XXX	XXX,XXX	XXX,XXX

In order to substantiate that the expenses were related to the Foundation's exempt activities, the agent requested documentation (invoices, receipts) and an explanation (purpose of expenditures). The Foundation responded with general explanations but no supporting documentations validating the expenses were ever provided. The Foundation does not have an accountable plan in place to authorize and approve expenses. **See Exhibit 1** for a summary of expenses by tax year.

Agent issued several Information Document Request (IDR) and letters requesting receipts and information with respect to how these expenditures were related to the Foundation's exempt purposes. The Foundation did not respond to the requests.

LAW:

Treasury Regulation section 1.162-1(a) states, in general, that business expenses deductible from gross income include the ordinary and necessary expenditures directly connected with or pertaining to the taxpayer's trade or business, except items which are used as the basis for a deduction or a credit under provisions of law other than section 162.

Treasury Regulation section 1.62-2(c)(2)(i) provides that if an arrangement meets the requirements business connection, substantiation, and returning-excess-payments provisions of this section, all amounts paid under the arrangement are treated as paid under an "accountable plan."

Treasury Regulation section 1.62-2(d)(1) provides that expenses reimbursable under an accountable plan must constitute deductible business expenses under section 162 or other business deduction statutes.

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Treasury Regulations section 1.62-2(e)(1) provides that expense reimbursements under an accountable plan must satisfy the substantiation rules of sections 1.162-17 or 1.274-5T of the regulations.

Treasury section 1.274-5T(b) (1) *In general*. —Section 274(d) and this section contemplate that no deduction or credit shall be allowed for travel, entertainment, a gift, or with respect to listed property unless the taxpayer substantiates the requisite elements of each expenditure or use as set forth in this paragraph (b).

Treasury Regulations section 1.274-5T(b)(2) *Travel away from home*. —The elements to be proved with respect to expenditure for travel away from home are: (i) *Amount*. —Amount of each separate expenditure for traveling away from home, such as cost of transportation or lodging, except that the daily cost of the traveler's own breakfast, lunch, and dinner and of expenditures incidental to such travel may be aggregated, if set forth in reasonable categories, such as for meals, for gasoline and oil, and for taxi fares; (ii) *Time*. —Dates of departure and return for each trip away from home, and number of days away from home spent on business; (iii) *Place*. —Destinations or locality of travel, described by name of city or town or other similar designation; and (iv) *Business purpose*. —Business reason for travel or nature of the business benefit derived or expected to be derived as a result of travel.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for religious, charitable and educational purposes, no part of the net earnings which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(3)-1(d)(1)(ii) states that an organization is not organized and operated exclusively for charitable purposes unless it serves a public rather than a private interest.

Treas. Reg. Section 1.501(c)(3)-1(a)(1) states: "In order to be exempt as an organization described in Section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such Code section."

Section 1.501(c)(3)-1(c)(1) of the regulations provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities that accomplish one or more of such exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Treas. Reg. § 1.501(c)(3)-1(a) provides that in order for an organization to be exempt as an organization described in Section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in section 501(c)(3) of the Code.

Treas. Reg. § 1.501(c)(3)-1(b) provides that an organization is organized exclusively for one or more exempt purposes only if its articles of organization (a) limit the purposes of such organization to one or more exempt purposes; and (b) do not expressly empower the organization to engage otherwise than as an insubstantial part of its activities, in activities which in themselves are not in furtherance of one or more exempt purposes.

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Treas. Reg. § 1.501(c)(3)-1(c)(1) provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Treas. Reg. Section 1.501(c)(3)-1(c)(2) provides, "An organization is not operated exclusively for one or more exempt purposes only if its net earnings inure in whole or in part to the benefit of private shareholders or individuals.

Treas. Reg. § 1.501(c)(3)-1(d)(2) provides that the term "charitable" is used in section 501(c)(3) in its generally accepted legal sense, and includes the relief of the poor and distressed, and the promotion of social welfare by organizations designed to lessen neighborhood tensions, eliminate prejudice and discrimination or combat community deterioration and juvenile delinquency.

Treas. Reg. § 1.501(c)(3)-1(d)(3) provides that the term "educational", as used in section 501(c)(3) of the Code, relates to:

- (a) The instruction or training of the individual for the purpose of improving or developing his capabilities; or
- (b) The instruction of the public on subjects useful to the individual and beneficial to the community.

IRC § 6001 provides that every person liable for any tax imposed by the IRC, or for the collection thereof, shall keep adequate records as the Secretary of the Treasury or his delegate may from time to time prescribe.

IRC § 6033(a)(1) provides, except as provided in IRC § 6033(a)(2), every organization exempt from tax under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts and disbursements, and such other information for the purposes of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

Treas. Reg. § 1.6001-1(a) in conjunction with Treas. Reg. § 1.6001-1(c) provides that every organization exempt from tax under IRC § 501(a) and subject to the tax imposed by IRC § 511 on its unrelated business income must keep such permanent books or accounts or records, including inventories, as are sufficient to establish the amount of gross income, deduction, credits, or other matters required to be shown by such person in any return of such tax. Such organization shall also keep such books and records as are required to substantiate the information required by IRC § 6033.

Treas. Reg. § 1.6001-1(e) states that the books or records required by this section shall be kept at all times available for inspection by authorized internal revenue officers or employees, and shall be retained as long as the contents thereof may be material in the administration of any internal revenue law.

Treas. Reg. § 1.6033-1(h)(2) provides that every organization which has established its right to exemption from tax, whether or not it is required to file an annual return of information, shall submit such additional information as may be required by the district director for the purpose of enabling him to inquire further into

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its exempt status and to administer the provisions of subchapter F (section 501 and the following), chapter 1 of the Code and IRC § 6033.

In Better Business Bureau of Washington, D C., Inc. v. U.S., 326 U.S. 279 (1945), the Supreme Court stated that an organization is not operated exclusively for charitable purposes if it has a single non charitable purpose that is substantial in nature.

In Church by Mail, Inc. v. Commissioner, 765 F.2d 1387 (9th Cir, 1985), aff'g T.C. Memo. 1984-349 (1984), the Court indicated whether an organization has a substantial nonexempt purpose is a question of fact, to be resolved on the basis of all the appropriate evidence.

In B.S.W. Group, Inc. v. Commissioner, 70 T.C. 352 (1978), the Tax Court observed: "Factors such as the particular manner in which an organization's activities are conducted, the commercial hue of those activities, and the existence and amount of annual or accumulated profits are relevant evidence of a forbidden predominant purpose."

Revenue Ruling 59-95, you do not qualify for exempt status under Section 501(c)(3) of the Code because of your failure to comply with the Regulations under Section 6033 of the Code.

Taxpayer's Position:

The Foundation's position has not been determined.

Government's Position:

1. Whether (hereinafter referred to as the Foundation) is operated exclusively for exempt purposes described within Internal Revenue Code 501(c)(3):

The founder states the Foundation has engaged in ongoing activities such as ; the organization has not furnished proof that they conducted these activities. The Foundation was unable to substantiate event dates and locations, number of children involved in activities, or brochures and pamphlets that advertised the activities. Based on the facts of the examination, the organization does not qualify for exemption.

- a. Whether the is engaged primarily in activities that accomplish an exempt purpose?

In order for an organization to retain its exempt status it must demonstrate to the Service that it meets both the organizational and the operational tests. The Foundation fails to meet the operational test because it cannot substantiated any activities actually occurred. Revenue agent made multiple and repeated request for documentations to support the activities and programs. The Foundation simply did not provide the records to support and substantiate the existence of their activities.

- b. Whether is operated for the purpose of serving a private benefit rather than public interests.

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Section 1.501(c)(3)-1(d)(1)(ii) of the regulations states that an organization is not organized exclusively for any of the purposes specified in section 501(c)(3) of the Code unless it serves public, rather than private interests.

During the examination, Revenue Agent obtained and analyzed the Foundation's bank statements and cancelled checks for all years under examine. The founder used the organization's debit card on regular basis purchase vehicle fuel and card repairs, restaurants and fast food establishments, cash withdrawals, airline tickets and hotel bills, gym membership, child care expenses and the likes. Checks were written for cash, to law groups, home owner association fees, traffic tickets, State of auto tags, City of building permits departments and car repairs and insurance. The foundation does not own any vehicles which is the property of the founder. No documentation was provided that the funds were expended for ordinary and necessary expenses of the (IRC sections 162 and 274) The payments were made under a non-accountable plan. (Regs 1.62-2(c). Substantially all of the expenses incurred by the Foundation lacked documentation that would satisfy the requirements of an accountable plan. Therefore, failed to substantiate that the funds expended benefited a public rather than private interest

2. Whether any part of the net earnings of inured to the benefit of any private shareholder or individual.

An organization described in section 501(c)(3) must establish that no more than an insubstantial part of its activities is not in furtherance of an exempt purpose. Treas. Regs. 1.501(c)(3)-1(c)(1). Section 1.501(c)(3)-1(d)(1)(ii) of the regulations states that an organization is not organized exclusively for any of the purposes specified in section 501(c)(3) of the Code unless it serves public, rather than private interests. failed to provide documentations to substantiate that all the funds expended benefited a public rather than private interest. Without evidence (receipts, invoice, plausible explanations) that the expenses incurred serves a charitable purpose and were ordinary and necessary to carry out charitable activities, we can only conclude that expenses were incurred for non-exempt purposes.

The founder has sole and exclusive control over the bank accounts. He has control over the funds received from fundraising events, disbursements, and assets of the organization. He is the sole officer and makes all decisions on the activities of the organization. The examination determined that the Foundation has no internal controls in place to ensure that funds are used for exempt purposes.

3. Whether complied with record keeping requirements as required under Internal Revenue Code section 6001 and 6033.

The Foundation failed to provide the required documentation requested to substantiate their exempt activities and financial expenditures per Section 6033 of the Code. Revenue Ruling 59-95, you do not qualify for exempt status under Section 501(c)(3) of the Code because of your failure to comply with the Regulations under Section 6033 of the Code.

Under Section 1.6033-2(i)(2) of the Regulations, every organization exempt from tax, whether or not it is required to file an annual information return, shall submit additional information as may be required by the Internal Revenue Service for the purpose of inquiring into its exempt status.

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During the examination, several requests for information were made, but the Foundation failed to supply the requested information. The organization has clearly failed to provide the requested information despite adequate notice as required by Section 1.6033-2(i)(2) of the Regulation.

4. Should _____ tax exemption under section 501(c)(3) of the Internal Revenue Code be revoked because their activities have not met the requirements of Section 501(c)(3) of the Internal Revenue Code. If revocation is upheld what should the effective date be?

Section 1.501(c)(3)-1(d)(1)(ii) of the regulations states that an organization is not organized exclusively for any of the purposes specified in section 501(c)(3) of the Code unless it serves public, rather than private interests. The Foundation's funds were used substantially for the private benefit of the founder and president during the tax periods under examination.

Based on the facts of this examination the _____ does not qualify for exemption under IRC Section 501(c)(3) as a charitable organization. Revocation of the organization's exempt status is recommended since it is not operated exclusively for exempt purposes. _____ serves a private benefit rather than public interest.

Based on the facts learned during the examination, the 501(c)(3) tax exempt status of _____ should be revoked because it is not operated exclusively for tax exempt purposes. The effective date of revocation is 01/01/20XX because that is the first day of the tax year we recognized as not being operated as organization described under section 501(c)(3) of Internal Revenue Code.

Conclusion:

_____ does not satisfy both the organizational test and the operational test. Accordingly, the Foundation does not qualify for exemption under section 501(c)(3) and its tax exempt status should be revoked. This proposed revocation would be effective January 1, 20XX.

The Foundation will be required to file Form 1120 for the tax period ending December 31, 20XX and for all subsequent tax years.